Housing, Infrastructure and Communities Canada
Logement, Infrastructures et Collectivités Canada

Housing, Infrastructure and Communities Canada

Future-Oriented Statement of Operations (Unaudited)

Canada

Housing, Infrastructure and Communities Canada
Future-Oriented Statement of Operations (unaudited)
for the year ending March 31
(in thousands of dollars)

	Forecast results 2024-25	Planned results 2025-26
Expenses		
Public Infrastructure, Communities, Affordable Housing and Homelessness Policy	95,098	-
Public Infrastructure, Communities, and Homelessness Investments	42,171	-
Public Infrastructure and Communities Investment Stewardship and Delivery	7,775,906	-
Housing and Homelessness	-	914,928
Public Transit, Sustainable Infrastructure and Community Building	-	8,058,848
Internal Services	99,107	103,112
Total expenses	**8,012,282**	**9,076,888**
Revenues		
Other Revenues	2,856	2,980
Revenues earned on behalf of government	(2,856)	(2,980)
Total revenues	**-**	**-**
Net cost of operations before government funding and transfers	**8,012,282**	**9,076,888**

The accompanying notes form an integral part of the Future-Oriented Statement of Operations.

1. Authority and Objectives

The Department of Housing, Infrastructure and Communities (commonly referred to as Housing, Infrastructure and Communities Canada (HICC)) was initially established in 2002 as Infrastructure Canada to ensure Canadians benefit from world-class public infrastructure from coast to coast to coast.

On June 20, 2024, with the passing of Bill C-59, Infrastructure Canada (INFC) became the Department of Housing, Infrastructure and Communities enacting its enabling legislation, the *Department of Housing, Infrastructure and Communities Act.* The Act establishes a Minister of Infrastructure and Communities and a Minister of Housing, both supported by the Department and a single deputy minister.

Starting in fiscal year 2025-26, HICC will be reporting on its mandate under 3 core responsibilities as described below:

Housing and Homelessness

Housing, Infrastructure and Communities Canada supports projects that advance national housing outcomes, reduce and prevent homelessness, and foster inclusive, prosperous and complete communities.

Public Transit, Sustainable Infrastructure and Community Building

Housing, Infrastructure and Communities Canada helps build resilient, sustainable and complete communities. The Department invests in safe, modern, and efficient public transit and active transportation, climate-resilient and net-zero infrastructure, and the construction and rehabilitation of other core public infrastructure.

Internal Services

Internal services are the services that are provided within a department so that it can meet its corporate obligations and deliver its programs. There are 10 categories of Internal services:

- management and oversight services
- communication services
- legal services
- human resources management services
- financial management services
- information management services
- information technology services
- real property management services
- materiel management services
- acquisition management services

2. Methodology and significant assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and departmental plans as described in the Department Plan.

The information in the forecast results for fiscal year 2024-25 is based on actual results as at December 31, 2024 plus forecasts for the remainder of the fiscal year. Planned results for 2025-26 are based on historical trends and planned appropriations.

The main assumptions underlying the forecasts are as follows:

- The department's activities will remain substantially the same as in the previous year.
- Expenses and revenues, including the determination of amounts internal and external to the government, are based on historical trends. The department assumes that the general historical patterns are expected to continue.
- Forecast results for the remainder of 2024-25 are based in part on anticipated cash flow requirements of HICC's contribution programs.

These assumptions are made as at January 23, 2025.

3. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2024-25 and for 2025-26, actual results achieved for both years are likely to differ from the forecast information presented, and this variation could be material.

In preparing the Future-Oriented Statement of Operations, HICC has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

Factors that could lead to material differences between the Future-Oriented Statement of Operations and the historical statement of operations include:

- the timing and amounts of acquisitions and disposals of capital assets which may affect gains, losses and amortization expense;
- the implementation of new collective agreements;
- the timing at which recipients submit claims for reimbursement under INFC's various transfer payment programs; and
- other changes to contributions (and operating budgets) through approval of additional new infrastructure initiatives or technical adjustments later in the year.

After the Departmental Plan is tabled in Parliament, HICC will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Results Report.

4. Summary of significant accounting policies

The Future-Oriented Statement of Operations has been prepared using the Government of Canada's accounting policies in effect for the 2024-25 fiscal year, and is based on Canadian Public Sector Accounting Standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

a) Expenses

Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient.

Other expenses are generally recorded when goods are received or services are rendered including expenses related to personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provisions for bad debts, loans, investments and advances and inventory obsolescence, as well as utilization of inventories and prepaid expenses, and other are also included in other expenses.

b) Revenues

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. These revenues are recognized in the period in which the related expenses are incurred.

Deferred revenue consists of amounts received prior to the provision of goods or services that will be recognized as revenue in a subsequent fiscal year as it is earned.

Other revenues are recognized in the period the event giving rise to the revenues occurred and future economic benefits are expected to be received.

Revenues that are non-respendable are not available to discharge the department's liabilities. Although the deputy head is expected to maintain accounting control, he or she has no authority over the disposition of non-respendable revenues. As a result, non respendable revenues are earned on behalf of the Government of Canada and are therefore presented as a reduction of the department's gross revenues

5. Parliamentary Authorities

HICC is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the department differs from financial reporting according to generally accepted accounting principles because authorities are based mainly on cash flow requirements. Items recognized in the Future-Oriented Statement of Operations in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the department has different net cost of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to requested authorities
(in thousands of dollars)

	Forecast results 2024-25	Planned results 2025-26
Net cost of operations before government funding and transfers	**8,012,282**	**9,076,888**
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(47,968)	(48,455)
Services provided without charge by other government departments	(20,233)	(21,090)
Increase in vacation pay and compensatory leave	(900)	(1,453)
Decrease (Increase) in employee future benefits	(223)	(264)
Refunds of previous years' expenditures	27,799	32,785
Total items affecting net cost of operations but not affecting authorities	**(41,525)**	**(38,477)**
Adjustment for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	4,711	45,662
Change in salary overpayments	260	260
Total items not affecting net cost of operations but affecting authorities	**4,971**	**45,922**
Requested authorities forecasted to be used	**7,975,728**	**9,084,333**

b) Authorities requested
(in thousands of dollars)

	Forecast results 2024-25	Planned results 2025-26
Authorities:		
Vote 1: Operating expenditures	305,007	340,515
Vote 5: Capital expenditures	12,211	53,162
Vote 10: Contributions	5,268,256	6,195,653
Statutory amounts:		
Employee Benefit Plan	21,997	28,070
Canada Community Building Fund	2,368,158	2,466,831
Minister's Salary and Motor Car Allowance	99	102
Total authorities	**7,975,728**	**9,084,333**